

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: Chapter 11  
232 SEIGEL DEVELOPMENT LLC, *et al.*, Case No. 20-22844 (RDD)  
Debtors. (Jointly Administered)

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**ORDER (I) VACATING PRIOR ORDER CONDITIONALLY DENYING  
MOTION TO DISMISS, AND (II) CONVERTING CHAPTER 11 CASES**

Upon the *Motion of DB 232 Seigel LLC and DB 232 Seigel Mezz LLC for an Order Dismissing Chapter 11 Case of 232 Seigel Development LLC* [ECF 104-05] (the “Motion”)<sup>1</sup> of DB 232 Seigel LLC (“Senior Lender”) and DB 232 Seigel Mezz LLC (“Mezz Lender”), and together with Senior Lender, the “Lenders”), for an order, pursuant to section 1112(b) of title 11 of the United States Code (the “Bankruptcy Code”), dismissing the chapter 11 case, Case No. 20-22844 (the “Chapter 11 Case”) of 232 Siegel Development LLC, debtor and debtor in possession (the “Debtor” with the other debtor and debtor in possession in these cases, the ”Debtors”); and

Upon (i) the record of the July 9, 2021 hearing held by the Court on the Motion, (ii) the Court’s *Order Conditionally Denying Motion to Dismiss* dated July 14, 2021 [ECF 121] (the “Conditional Order”), (iii) the record of the Court’s September 14, 2021 hearing to consider the Debtors’ *Third Amended Joint Disclosure Statement* [ECF 123], and (iv) the *Declaration of Joshua I. Divack in Support of Dismissal of Chapter 11 Case* [ECF 155] filed in accordance with the Conditional Order, which asserted that the

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Debtors were in material violation of the Conditional Order and, therefore, that the Chapter 11 Case should be dismissed; and

Upon the Debtors' objection to the Lenders' renewed request for the dismissal of the Chapter 11 Case and all related pleadings, including the Debtors' proposed Fourth Amended Joint Disclosure Statement and Fourth Amended Joint Chapter 11 Plan; and upon the record of the hearing held by the Court on the Motion and the foregoing request on October 7, 2021; and, after due deliberation and for the reasons stated by the Court on the record of the hearing, the Court having determined that (x) the Conditional Order should be vacated under Fed. R. Bankr. P. 9024 based on newly discovered evidence of potentially avoidable transfers that was not available to the Lenders or the Court when the Conditional Order was entered, (y) the Lenders have established sufficient cause for the dismissal or conversion of the Chapter 11 Case under 11 U.S.C. § 1112(b), and (z) the conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, rather than its dismissal, which will enable a chapter 7 trustee to investigate potentially avoidable transfers, is in the interests of creditors; now, therefore, it is hereby

**ORDERED** that the Conditional Order is vacated; and it is further

**ORDERED** that the Debtor's Chapter 11 Case is converted under 11 U.S.C. § 1112(b) to a case under chapter 7 of the Bankruptcy Code.

Dated: White Plains, New York  
October 15, 2021

*/s/Robert D. Drain*  
UNITED STATES BANKRUPTCY JUDGE